

**SENATE BUDGET COMMITTEE**  
**DEMOCRATIC CAUCUS**  
**KENT CONRAD, RANKING MEMBER**

FOR IMMEDIATE RELEASE  
January 29, 2003

Contact: Stu Nagurka (202) 224-7436  
Steve Posner (202) 224-7925

**STATEMENT BY SENATOR KENT CONRAD (D-ND)  
ON NEW CBO DEFICIT PROJECTIONS**

The latest numbers from the Congressional Budget Office (CBO) confirm that the \$5.6 trillion projected budget surplus for the ten-year period 2002 to 2011 has been virtually wiped out. Even if Congress took no further action and rejected all of the President's tax cutting and spending proposals, the ten-year projected surplus will have diminished to just \$20 billion.

And if the President's policies are adopted, including his latest tax cut plan, his proposal to make the 2001 tax cuts permanent, his expected 2003 supplemental spending request, and a prescription drug benefit he has endorsed, we can see that, instead of a surplus, the nation will confront a \$1.5 trillion cumulative deficit for the ten-year period. That represents an astounding \$7.1 trillion loss of surplus in just the two years since President Bush took office.

Further, if we set aside Social Security revenues, as the President and most members of Congress had previously promised to do, we can see that the nation will actually face deficits of more than \$300 billion in every year this decade, and a cumulative ten-year deficit of close to \$3.7 trillion for the 2002 to 2011 period. And that doesn't even count the cost of a likely war in Iraq, which could run hundreds of billions of dollars under certain scenarios according to CBO projections.

Despite the Bush administration's desperate attempt to discount the seriousness of these numbers, there is nothing "moderate" or "manageable" about \$3.7 trillion in deficits just as the baby boom generation will begin to retire and put huge strains on Social Security and Medicare.

When the President came into office, he assured the American people that we could afford a massive tax cut without returning to deficits. He promised that we would still be able to protect Social Security and Medicare, have maximum pay-down of the federal debt, provide for the needs of the country, and have plenty left over for unexpected contingencies. He was wrong. His policies have plunged the nation back into deficits and debt; Social Security and Medicare are threatened; and the administration is shortchanging domestic priorities like education and health care to help pay for tax cuts that primarily benefit the wealthiest.

Last year, President Bush said deficits under his watch would be “small and short-term.” He was wrong again. Now even his administration is admitting that we will face large deficits for the “foreseeable future.”

And most recently, confronting this ugly truth, the Bush administration has begun claiming that deficits don’t matter. What an absurd claim. The relentless tax cutting agenda of this administration is creating a massive structural deficit that will drive up interest rates, crowd out private sector growth, and slow long-term economic growth. The President’s agenda is reckless and threatens the long-term fiscal health of the nation.

- END -